

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking on policies and practices for advanced metering, demand response, and dynamic pricing.

Rulemaking 02-06-001
(Filed June 6, 2002)

**ADMINISTRATIVE LAW JUDGE'S RULING
REGARDING STATEWIDE PRICING PILOT DECOMMISSIONING**

On September 2, 2004, San Diego Gas & Electric Company (SDG&E), on behalf of the Joint Utilities (SDG&E, Pacific Gas and Electric Company (PG&E), and Southern California Edison Company (SCE)), filed its strategy for closing down the Statewide Pricing Pilot (SPP), switching customers off of the pilot tariffs, and removing the equipment installed to facilitate their participation in the SPP. The information submitted includes the Joint Utilities' proposal to decommission the interval meters installed during the pilot but does not address the option of allowing some or all of the participating customers to retain their meters under their current or similar experimental rate forms as required by Ordering Paragraph 1.b. of Decision 04-10-012. To remedy this deficiency, the Joint Utilities should submit the following information:

1. What are the costs of keeping the remaining interval meters in place on a per customer basis if the Commission extends the current tariff options? (Separate the costs to retrieve the usage data from the meters and the costs to bill the customers in the special SPP format as opposed to simply reading the energy usage data and sending customers a standard bill.)
2. Would the Commission be served by keeping at least some of these meters in place for use in future dynamic pricing experiments? For example, are there additional research questions that could be answered by keeping a subset of the 1200 pilot participants in the SPP on the experimental rates?
3. Are there barriers and/or costs to extending the current experimental rates into 2005?

4. Most utilities plan to offer customers a time of use rate alternative to switching back to the inverted tier tariffs. Are there any monthly charges that the customer would need to pay as a function of switching to the time of use tariff? What is your estimate of the fraction of customers who will opt for the time of use tariff given any monthly charges that they will incur?
5. What are the costs of maintaining the existing Advanced Demand Response System (ADRS) functionality (Good watts meter, automatic control, access to web site, and thermostat) for 175 customers on a monthly basis? Does this estimate change as a function of how many additional months the project would be extended?
6. What is the status of the evaluation for the ADRS and information display pilots and are there results to report? In your opinion, has the ADRS collected enough energy data to successfully meet its initial research objectives if the controls and metering equipment is removed in January 2005? If additional time or data is needed, how long would the experiment need to be run before enough data was available to answer the remaining research objectives? Would additional customers outside of the ADRS pilot still need to continue to receive CPP-F rate signals to serve as a control for the same time period?
7. What additional benefits would accrue if the experiment were extended for another 9 months to give customers a complete year of experience with the controls equipment? Are there additional research objectives that could be answered by keeping this equipment in place?
8. What is the cost of continuing to maintain the ADRS controls system if the experimental rates expire but the customers continue to receive curtailment signals in the summer of 2005?
9. How has each utility handled ongoing meter reading, maintenance, or removal of the meters installed as part of the pilot when a customer opted-out during the course of the pilot for both the SPP generally and the ADRS pilot?

After we have the additional information described above, we will decide whether to approve the utilities' proposed decommissioning plans for the SPP or not. Given the need for additional information prior to approval of the decommissioning plan, the utilities should not send the proposed "exit package"

materials to their customers on October 15. If the utilities choose to send a letter on October 15, they may include the following information:

- A reminder that the customer will receive an additional appreciation payment in November for participating in the SPP through October 31, 2004.
- A shadow bill analysis comparing the customer's electricity costs during the pilot against the default rate.
- An explanation of the pilot program and pilot results to date.

Therefore, **IT IS RULED** that San Diego Gas & Electric Company, Pacific Gas and Electric Company, and Southern California Edison Company shall file and serve responses to the above questions not later than October 1, 2004.

Dated September 29, 2004, at San Francisco, California.

/s/ MICHELLE COOKE
Michelle Cooke
Administrative Law Judge

CERTIFICATE OF SERVICE

I certify that I have by mail, and by electronic mail to the parties to which an electronic mail address has been provided, this day served a true copy of the original attached Administrative Law Judge's Ruling Regarding Statewide Pricing Pilot Decommissioning on all parties of record in this proceeding or their attorneys of record.

Dated September 29, 2004, at San Francisco, California.

/s/ ERLINDA PULMANO

Erlinda A. Pulmano

N O T I C E

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to ensure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.

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